



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

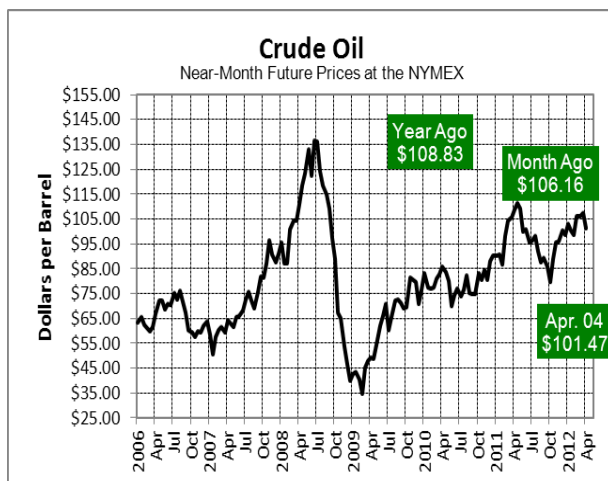
April 9, 2012

Crude Oil

U.S. crude oil prices increased \$7.45 to \$106.16 per barrel in the past month and stand 2.7 percent higher since the beginning of 2012 but 7 percent lower than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	04-04-12	03-07-12	change	04-06-11	change
NYMEX	\$101.47	\$106.16	down 4%	\$108.83	down 7%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for May delivery ended \$4.69, or 4 percent, lower Apr. 4 to close at \$101.47 per barrel, as the weekly federal fuel inventory report showed a large increase in domestic oil supplies. Crude prices are now 2.7 percent higher since the beginning of 2012 but 7 percent lower compared to the same period last year.
- U.S. oil inventories increased by 9 million barrels (MMB) for the week ending Apr. 6. U.S. oil prices weakened due to a combination of growing reserves and soft demand for refined petroleum products. Oil inventories have grown sharply higher over the last two weeks, and with more than 16 MMB of oil being added to storage tanks (imports and production combined), commercial inventories have moved ahead of the same time last year and 2010 by almost 5 MMB. For this time of year, the five-year average crude oil build is closer to 3 MMB, so the last two weeks have been significantly higher.



- Oil also fell after the Federal Reserve signaled it may refrain from further monetary accommodation unless the economy falters or prices rise at a rate slower than its 2 percent target. The central bank affirmed its plan to hold interest rates near zero through late 2014. Markets also moved lower after Spain sold fewer bonds than its maximum target, bolstering concern that the European debt crisis may renew.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$108.83 is \$7.36, or 7 percent, lower.
- Total petroleum products supplied to market over the last four-week period ending Apr. 6 averaged 18.2 MMB/D, down 4.7 percent compared to the similar period last year.

- According to the Apr. 4 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 9 MMB at 362.4 MMB for the week ending Apr. 6. U.S. crude supplies are now 4.7 MMB higher than at this time last year.
- Crude imports for the week ending Apr. 6 were 9.8 MMB/D, up more than 0.5 MMB from the prior week. Imports at this time last year averaged nearly 9.0 MMB/D. Crude oil inventories represent 25 days of forward cover unchanged from this time last year.
- U.S. refinery crude runs were up 200,000 barrels per day with refiners processing 14.8 MMB/D of crude for the week ending Apr. 6. U.S. refinery capacity use was 85.7 percent, up 1.2 percent from the prior week and up 1.3 percent compared to this time last year.
- Gasoline output was up at 8.7 MMB/D on the week as refiners returned from scheduled maintenance. Gasoline output was down nearly 0.2 MMB/D compared to last year at this time. Distillate output increased slightly at 4.3 MMB/D for the week ending Apr. 6, and stands 26,000 barrels per day higher compared to the production level at this time last year.

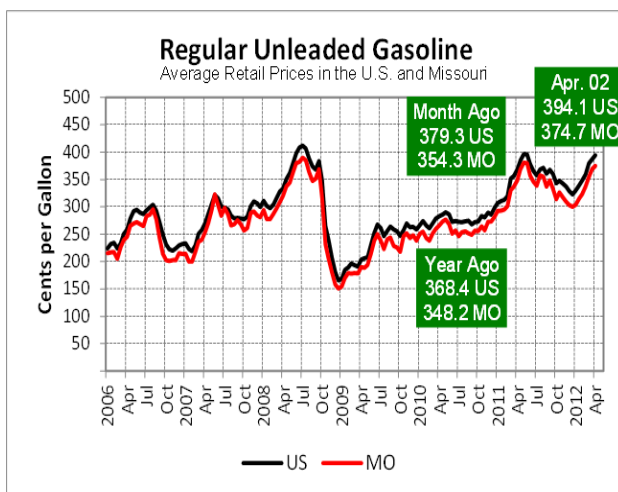
Transportation Fuels

On Apr. 2, Missouri's statewide average retail price for gasoline was \$3.75 per gallon, up 20.4 cents, or 6 percent, in the past month.

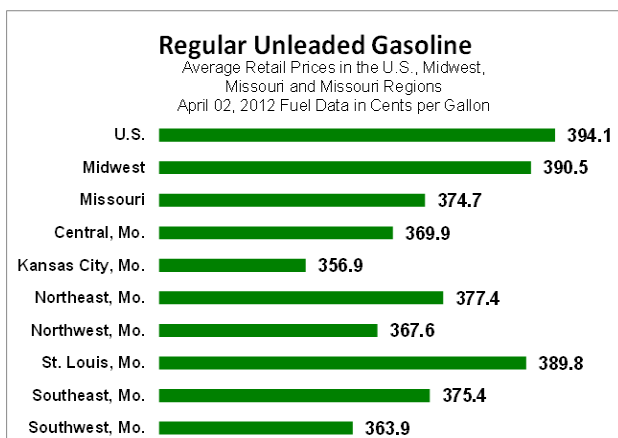
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>04-02-12</u>	<u>03-06-12</u>	<u>change</u>	<u>04-04-11</u>	<u>change</u>
US	394.1	379.3	up 4%	368.4	up 7%
Missouri	374.7	354.3	up 6%	348.2	up 8%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>04-02-12</u>	<u>03-06-12</u>	<u>change</u>	<u>04-04-11</u>	<u>change</u>
US	414.2	379.3	up 9%	397.6	up 4%
Missouri	393.0	387.3	up 1%	379.7	up 4%

- On Apr. 2, Missouri's average retail price for gasoline was \$3.75, an increase of 20.4 cents in the past month. The average price for diesel fuel was up by 5.7 cents in the past month. Missouri's average retail gasoline price is \$0.27, or 8 percent, higher, while the average diesel fuel price is \$0.13, or 4 percent, higher for the comparable period in Apr. 2011.

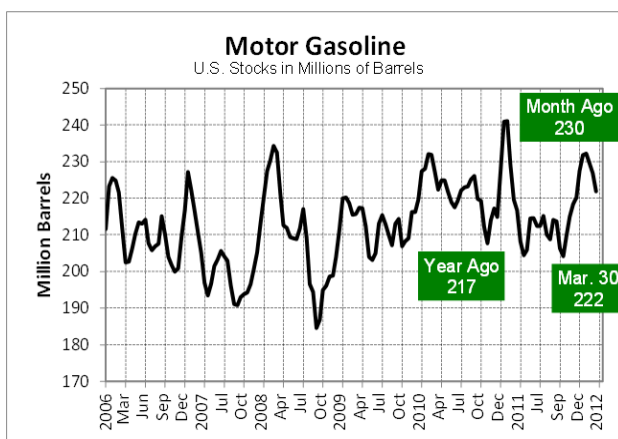


- The U.S. average price for regular gasoline was up by 15 cents per gallon, or 4 percent, compared to last month at \$3.94 per gallon. The U.S. average was about \$0.26, or 7 percent, higher compared to this time last year. In the past week, the U.S. average increased by about 2 cents per gallon.
- Gasoline imports increased to 0.9 MMB/D for the week ending Apr. 6; about 321,000 barrels per day higher compared to the prior week, but 193,000 barrels per day



at 221.9 MMB for the week ending Apr. 6. Gasoline inventories represent 25.9 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are up 5.2 MMB compared to this time last year and trend at the upper end of the five-year average for this time of year.

- Distillate stocks were unchanged at 135.9 MMB and stand 17.6 MMB lower compared to the same period last year. Distillate demand was unchanged at 3.6 MMB/D for the week ending Apr. 6 and down 75,000 barrels per day compared to the same period last year. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down by about 1,000 barrels per day. On a four-week average, distillate

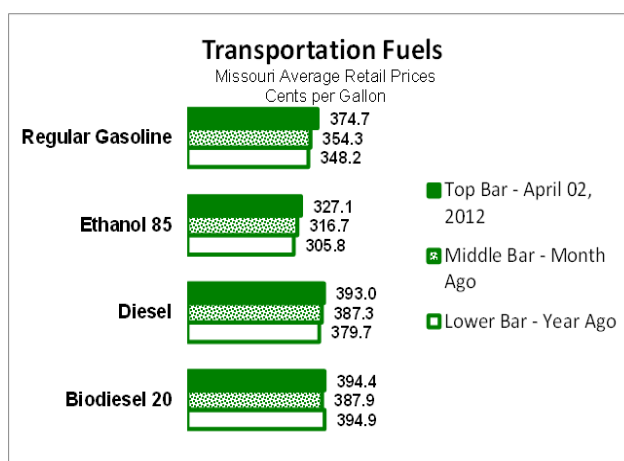


less than 1 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA's Mar. 6, 2012, *Short Term Energy Outlook*, regular-grade motor gasoline retail prices are estimated to average \$3.79 per gallon in 2012, compared with \$3.53 per gallon last year. During the April through September peak driving season, prices are forecast to average about \$3.92 per gallon and peak at \$3.96 in May.

lower than last year at this time.

- Implied demand for gasoline increased slightly the week ending Apr. 6 at 8.8 MMB/D, up by 73,000 barrels per day from the prior week and about 70,000 barrels lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.6 MMB/D, 334,000 barrels per day, or 3.8 percent, lower compared to the same 4-week period last year.
- U.S. gasoline supplies decreased 1.5 MMB



demand was down 187,000 barrels per day compared to the same period last year at 3.6 MMB/D.

- On Apr. 2, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.27 per gallon, 48 cents or about 15 percent lower than the average price for conventional motor gasoline.
- On Apr. 2, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.94 per gallon, or about 1.4 cents or

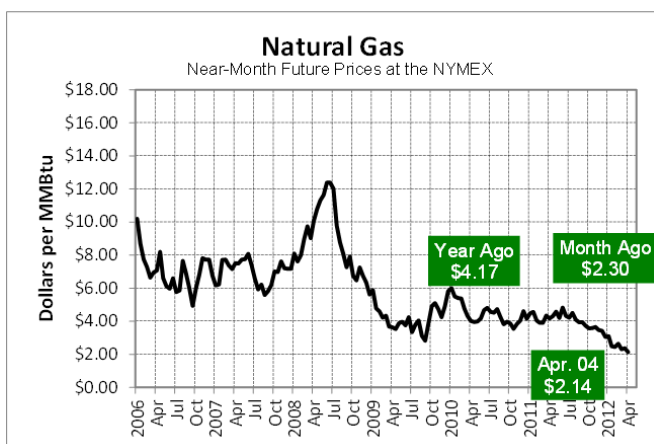
Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Apr. 4, natural gas futures closed at \$2.14 per million British thermal units (MMBtu), down 16 cents from a month ago and down \$2.03 compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	04-04-12	03-07-12	change	04-06-11	change
NYMEX	\$2.14	\$2.30	down 7%	\$4.17	down 49%

- Natural gas futures for May delivery decreased \$0.16 in the past month to a final closing price of \$2.14 per MMBtu on Apr. 4.
- At the NYMEX, the May 2012 contract during the trading week decreased about 14.1 cents to close at \$2.14 per MMBtu on Apr. 4.
- The May 2012 contract reached a low of \$2.126 on Mar. 30, before climbing to \$2.187 on Apr. 3, then falling back again Apr. 4. According to EIA, domestic natural gas consumption rose by 3.7 percent from the previous week. The residential/commercial sector posted the largest increase, 5.8 percent, while power and industrial sector demand ended the week up 3.8 percent and 1.4 percent, respectively.



- Working gas in storage as of Apr. 6 totaled 2,479 billion cubic feet (Bcf), 60.5 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 887 Bcf, or 55.7 percent, higher than last year at this time.
- According to EIA's *Short Term Energy Outlook* released Mar. 6, 2012, Midwest households that heat with natural gas may realize a fall in natural

gas expenditures by 15.8 percent to \$658 for the heating season based on a reduction in consumption of approximately 13 percent and a reduction in price of about 3 percent. March marks the end of the traditional heating season for the U.S. The next release of the *Outlook* is scheduled for April 10, 2012.

Propane

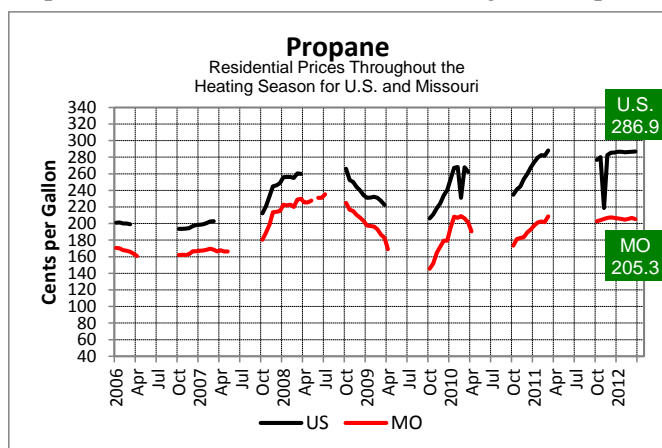
Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

(Note: Beginning April 2012, residential retail propane prices will be reported only for the first full week of each month through September 2012)

On Apr. 2, the average Missouri retail price for residential propane was about \$2.03 per gallon, down 4 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	04-02-12	03-06-12	change	04-04-11	change
Missouri	202.9	206.7	down 2%	203.5	down 0%

- According to the Division of Energy's statewide propane price survey conducted Apr. 2, Missouri retail residential propane prices were down 4 cents, or 2 percent, in the past month.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$3.00 per gallon, while the lowest retail price was about \$1.70 per gallon.
- For the week ending Apr. 6, U.S. inventories of propane increased 1.1 MMB to end at 44.8 MMB. Propane inventories are now 19 MMB higher compared to the same period last year. Implied demand for propane decreased 138,000 barrels per day at 1 MMB/D for the week ending Apr. 6, and down 148,000 barrels per day compared to the demand level for this time last year.



- For the week ending Apr. 6, Midwest propane inventories increased more than 0.5 MMB. At 17.2 MMB, Midwest inventories are 7.7 MMB, or about 81 percent, higher than the 9.5 MMB reported at this time last year.
- According to EIA's *Short Term Energy*

Outlook released Mar. 6, 2012, Midwest households that heat with propane may realize a decrease in propane expenditures by 8.7 percent at \$1,658 for the heating season based on a reduction in consumption of approximately 13 percent. March marks the end of the traditional heating season for the U.S. The next release of the *Outlook* is scheduled for April 10, 2012.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm